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Attorney for Securities and Insurance Departments

BEFORE THE STATE AUDITOR
AND COMMISSIONER OF SECURITIES AND INSURANCE
HELENA, MONTANA

IN THE MATTER OF:)	CASE NO. I 11-08-05-150
)	
CASCADE EXPLORATION, INC. and)	
CASCADE WATER HOLDINGS, INC.)	
182 Alec Roy Road)	CONSENT AGREEMENT WITH
Roundup, MT, 59072)	RESPONDENT KEGEL
Nevada Corporations;)	
)	
GORDON WALTERS, individually, and)	
in his capacity as President and Treasurer)	
of Cascade Exploration, Inc. and President,)	
Treasurer and Director of Cascade Water)	
Holdings, Inc; ANN WALTERS,)	
individually, and in her capacity as)	
Secretary of Cascade Exploration, Inc. and)	
Cascade Water Holdings, Inc; CALVIN)	
STATELEN, individually, and in his)	
capacity as a promoter for Cascade)	
Exploration, Inc. and Cascade Water)	
Holdings, Inc; and DANNY KEGEL,)	
individually, and in his capacity as a)	
promoter for Cascade Exploration, Inc.)	
and Cascade Water Holdings, Inc.)	
)	
Respondents.)	

Consent Agreement dated this ____ day of March 2007, between the Montana

Securities Department (“Department”), acting pursuant to the authority of Securities Act of
Montana, § 30-10-101 et seq. Montana Code Annotated (the “Act”) and Danny Kegel (Kegel).

RECITALS

WHEREAS, the Securities Department (Department) issued a Notice of Proposed Agency Disciplinary Action and Opportunity for Hearing (Action) on or about January 3, 2007, alleging violations of the Montana Securities Act;

WHEREAS, the Department performed an investigation of information provided to it by a Complainant, Kegel and Cascade Exploration that represent the basis for its claims against Kegel as asserted in this Action; and

WHEREAS, the Department and Kegel agree that the parties' best interests would be served by dismissing the Action and entering into the following specific agreement and undertakings set forth below.

NOW THEREFORE, in consideration of the mutual undertakings established herein, the Department and Kegel, as the parties hereto, enter into the following:

AGREEMENT

A. Without admitting or denying the allegations and conclusions contained within the four corners of the Action, Kegel hereby stipulates and consents to the following:

1. Kegel shall pay a fine of \$5,000 to the Department. This fine may be paid over a twelve month period from the date of signing this Consent Agreement.
2. Kegel shall be permanently barred from applying for registration as a securities salesperson in Montana.
3. Kegel agrees to cooperate with the Department's prosecution of this matter with regard to the other named Respondents, including providing testimony at any trial relevant to the issues and/or Respondents identified in the Action.

B. The Commissioner agrees and stipulates to the following:

1. Upon signing this notarized consent agreement, the Commissioner shall dismiss this case, with prejudice, with respect to the allegations against Kegel.

C. The parties agree and stipulate as follows:

1. The Statute of Limitation is tolled for two (2) years from the date of consummation of this consent agreement with regard to the allegations set forth above. In the event Kegel violates the terms of this consent agreement or violates securities laws of any other state during the five year period, Kegel shall be liable for a fine payable to the State Auditor's Office in the amount of \$25,000.

2. Any complaints brought to the Commissioner after the signing of this Agreement that contain allegations of illegal acts by Kegel of a similar or the same nature as the allegations set forth in the Action that occurred prior to the consummation of this Agreement shall not result in further administrative, civil or criminal action by the Commissioner.

3. This Consent Agreement constitutes the entire agreement between the parties, there being no other promises or agreements, either express or implied. Pursuant to statutory authority, the Commissioner hereby agrees that the Commissioner will not initiate any civil, administrative, or criminal action against Kegel regarding the allegations contained in the Action.

4. The Commissioner will not refer the allegations or evidence underlying the allegations for criminal prosecution to any other agency. Kegel fully and forever releases and discharges the Office of the State Auditor, the elected State Auditor and all State Auditor employees from any and all actions, claims, causes of action, demands, or expenses for damages or injuries that may arise from the allegations underlying this Agreement, whether asserted or unasserted, known or unknown, foreseen or unforeseen, arising out of the Action.

DATED this 5th day of April 2007.

MONTANA SECURITIES DEPARTMENT

By: Lynne Egan
LYNNE EGAN
Deputy Securities Commissioner

SUBSCRIBED AND SWORN to before me this 5 day of
April 2007.

Daria Santter
Notary Public for the State of Montana
Residing at Helena
My commission expires 4/14/2010
Printed Name: DARIA SANTTER

DATED this 4 day of April 2007.

Danny Kegel
DANNY KEGEL

SUBSCRIBED AND SWORN to before me this 4 day of
April 2007.

James P. Reed
Notary Public for the State of Montana
Residing at Turner
My commission expires 10-05-2007
Printed Name: JAMES P. REED